

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC	:	
COMPANY d/b/a NATIONAL GRID	:	DOCKET NO. 4756
2018 SYSTEM RELIABILITY	:	
PROCUREMENT REPORT	:	

**THE RHODE ISLAND OFFICE OF ENERGY RESOURCES' RESPONSE TO THE
PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS**

1-1. Please calculate the following: add the cumulative deferral benefits in Table S-2 (Bates 41) and the projected benefits in the proposed 2018 SRP, divide this amount by the sum of cumulative costs of the pilot (\$1.9 million) plus the total projected costs of the battery storage project. Is this the appropriate benefit-cost analysis for the proposed battery storage project? Why or why not?

Response: Please see the response of the Rhode Island Division of Public Utilities and Carriers ("DPUC" or "Division") to 1-1 of the *Commission's First Set of Data Requests Directed to the Division of Public Utilities and Carriers*. The Rhode Island Office of Energy Resources ("OER") collaborated with the Division in the development of their response, and concurs with their response.

1-2. Referring to Table 9 (Bates 27) please provide based metrics that hold the Company accountable to the demonstrated benefits of these actions.

Response: Please see the response of the Division to 1-2 of the *Commission's First Set of Data Requests Directed to the Division of Public Utilities and Carriers*. OER collaborated with the Division in the development of their response, and concurs with their response.

1-3. Why did OER sign onto the 2018 System Reliability Procurement (SRP) Report (Bates 35)? Please address in the response, the OER's and Division's November 20, 2018 comments filed with the PUC concerning potential refinements to the 2018 SRP Report.

Response: The 2018 SRP Report was prepared by National Grid, with input from OER and other parties. OER signed onto the 2018 SRP Report because OER generally supports the elements of the 2018 SRP Report, which represent a first step toward the evolution of SRP from a project-based to an information-based approach. Also, see response to 1-4, below. OER's views on the 2018 SRP Report are described in the OER's and Division's November 20, 2018 joint comments, which provides overall comments, potential refinements to the 2018 SRP Report, future work, and key future milestones.

Those joint comments describe potential refinements to the 2018 SRP Report:

(i) The 2018 SRP Report does not provide sufficient information to fully assess the Company's benefit-cost analysis of the Battery Storage Project.

(ii) The 2018 SRP Report does not provide sufficient information to assess if the illustrative incentive calculation for the Battery Storage Project is consistent with the proposed savings-based SRP incentives described in the 2018 SRP Report.

The Company recently provided the Division with information addressing both of these potential refinements. OER had a chance to review this information. The new information supports the Company's findings that the Battery Storage Project is cost-effective. The new information also indicates that the illustrative incentive calculation is generally consistent with the proposed savings-based SRP incentives.

1-4. Why is the 2018 SRP Report in the public interest?

Response: Please see the response of the Division to 1-4 of the *Commission's First Set of Data Requests Directed to the Division of Public Utilities and Carriers*. OER collaborated with the Division in the development of their response, and concurs with their response.

1-5. Is the OER working with the Company regarding the OER's and Division's November 20, 2018 joint comments concerning potential refinements to the 2018 SRP Report? Does OER anticipate filing with the PUC amendments to the 2018 SRP Report?

Response: OER is open to working collaboratively with the Company and other relevant parties to make potential refinements to the 2018 SRP Report. OER is open to filing with the PUC amendments to the 2018 SRP Report, if such amendments are warranted.

Prepared by or under the supervision of: Danny Musher, OER

Date: December 11, 2017